

**1977 POLICE OFFICERS' AND FIREFIGHTERS'
PENSION & DISABILITY FUND**
INDIANA

CLAIM FOR REFUND OF CONTRIBUTIONS

Instructions for Completing this Form
Please Read Carefully

IMPORTANT:

1. *Remove the form. Do not return these instructions to the 1977 Fund.*
2. *Please type or print. Use black ink.*
3. *Complete all information. Remember to put your name and Social Security Number at the top of every page.*
4. *Return the completed form directly to the 1977 Fund at the address below.*

PRIVACY NOTICE

Your Social Security Number is requested by this agency in accordance with the requirements of the Internal Revenue Code. Disclosure is mandatory and this form will not be processed without this information.

Federal and state law prohibit the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) from making distributions from the Fund prior to your separation from employment. Uninterrupted service or reemployment in any capacity prevents the 1977 Fund from making a distribution to you. This includes a continuation of employment in any capacity, full time or part time, in any agency or department of your current employer, either in a position covered by the 1977 Fund or in any position not covered by the 1977 Fund.

In addition, you should not complete this form if you intend to become re-employed in a 1977 Fund covered position with ANY employer.

STEP 1: MEMBER INFORMATION

Member's Social Security Number: Enter all nine digits of your Social Security Number. Your application will not be processed without this information.

Date of Application: Enter the date you completed the application.

Member's Name: Enter your first name, middle initial, and last name.

Member's Address: Enter the full street address to which you would like the refund payment(s) sent.

City: Enter the city to which you would like the refund payment(s) sent.

State: Enter the state to which you would like the refund payment(s) sent.

ZIP Code: Enter your five or nine-digit ZIP code.

Member's Phone Number: Enter your telephone numbers, beginning with area code. Please provide separate day and evening phone numbers.

E-mail address: Enter your E-mail address, if you have one.

STEP 2: FORFEITURE OF SERVICE

You must sign and print your name to acknowledge that you understand you are forfeiting creditable service in the 1977 Fund unless you repay this refund.

STEP 3: ELECTION FOR REFUND OF MEMBER CONTRIBUTIONS

You must read the notice at the top of the that your choice for payment of your contributions made below cannot be changed after this form is received by the 1977 Fund, and acknowledging you have read and understand the statement. Then sign and print your name to acknowledge that you understand this notice.

You must select one payment election for the Taxable Portion AND one payment option for the Non-taxable Portion:

Taxable Portion

You may elect to have ALL of the taxable portion of your contributions paid in the form of a DIRECT ROLLOVER into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. This option defers any taxes owed on your contributions.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$15,000 will be a DIRECT ROLLOVER to an eligible 401(a), 403(b), or governmental 457(b) plan or Traditional IRA.

OR

You may elect to have the total amount of the taxable portion of your contributions (less the mandatory withholding for federal income tax) *paid directly to you*.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$15,000 will be paid directly to you, less the mandatory withholding for federal income tax.

OR

You may select this option if you want only a partial rollover of the taxable portion of your contributions into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. The amount you specify will be paid in the form of a DIRECT ROLLOVER into the plan. The remainder of the taxable portion of your contributions which is not directly rolled over (less the mandatory withholding for federal income tax) will be *paid directly to you*. If you select this option, you must enter the amount of the partial rollover in the space provided on the form.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then you could elect some amount such as \$8,000 to be paid as a DIRECT ROLLOVER to into an eligible 401(a), 403(b) or governmental 457(b) plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf, and the balance of \$7,000 (less the mandatory withholding for federal income tax) would be paid to you.

Non-taxable Portion

You may elect to have ALL of the non-taxable portion of your contributions paid in the form of a DIRECT ROLLOVER into an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$5,000 will be a DIRECT ROLLOVER to an eligible Defined Contribution Plan or Traditional IRA.

OR

You may elect to have the total amount of the non-taxable portion of your contributions *paid directly to you*.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then \$5,000 will be paid directly to you.

OR

You may select this option if you want only a partial rollover of the non-taxable portion of your contributions into an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf. The amount you specify will be paid in the form of a DIRECT ROLLOVER into the plan. The remainder of the non-taxable portion of your contributions which is not directly rolled will be *paid directly to you*. If you select this option, you must enter the amount of the partial rollover in the space provided on the form.

For example, if the total value of your contributions is \$20,000 with \$5,000 being the non-taxable portion and \$15,000 being the taxable portion, then you could elect some amount, such as \$3,000, to be paid as a DIRECT ROLLOVER to an eligible Defined Contribution Plan or Traditional IRA which has provisions allowing it to accept the rollover on your behalf, and the balance of \$2,000 would be paid to you.

Rollover Information If you have selected rollover of all or part of your funds to an eligible retirement plan, defined contribution plan, or Traditional IRA, you will need to enter the information here so the payment may be properly completed. *Please note that the eligible rollover recipients are different for the taxable and non-taxable portions of your contributions.*

STEP 4: FEDERAL AND STATE TAX WITHHOLDING

Federal Withholding Eligible rollover distributions paid to you from the plan are subject to mandatory federal income tax withholding. We will withhold twenty percent (20%) from the taxable portion of your distribution unless you elect a direct rollover. See the attached special tax notice for more information.

State Withholding If you do not elect otherwise, we will withhold 3.4% of the taxable portion of your contributions that is paid directly to you. If you do not want any State tax withheld, sign and date this election.

Even if you elect to have State tax withheld, you are still liable for payment of any tax due on the taxable portion of your distribution. You may also be subject to tax penalties under the State and Federal estimated tax payment rules if your payments of estimated tax and withholding are not adequate. You should always seek competent, qualified tax advice before making any decision affecting your potential tax liability.

STEP 5: MEMBER AFFIDAVIT AND NOTARIZATION

Your refund application form must be notarized before it will be processed. Fill in the state and county of your residence and your Social Security Number in the spaces provided. Take the form to a duly commissioned notary public. The notary public will ask you to swear or affirm to the truth of all of the information you supplied on the application form and to sign the form in his or her presence. The notary will then complete the form and affix his or her seal to it.

STEP 6: EMPLOYER'S CERTIFICATION

After you have had the form notarized, ask your employer to fill in the employer's certification and immediately return the form to the 1977 Fund to avoid delay in your refund application processing.

To the Employer: This application cannot be processed without the information in this Step.

RETURN THE FORM TO THE 1977 FUND

Once the form has been completed according to these instructions and notarized, return the form (DO NOT return the instructions) to the 1977 Fund at the following address:

**1977 Police Officers' and Firefighters' Fund
143 West Market Street
Indianapolis, IN 46204**

MEMBER NOTE: CHANGES TO INFORMATION –

IF YOU HAVE ANY CHANGES TO ANY OF THE INFORMATION ON THIS FORM SUCH AS NAME OR ADDRESS, PLEASE IMMEDIATELY NOTIFY THE 1977 FUND AT THE ADDRESS ABOVE. THIS IS TO ENSURE THAT YOU RECEIVE CORRECT AND IMPORTANT INFORMATION REGARDING YOUR BENEFITS AND TAXES.

HELPFUL INFORMATION

PERF

TELEPHONE NUMBERS:

Indianapolis & vicinity (317) 233-4162
Toll-Free Number 1-(888) 526-1687
TDD (hearing impaired number) (317) 233-4160
FAX Number (317) 232-1614

PERF on the Internet: www.state.in.us/perf

1977 FUND

TELEPHONE NUMBERS:

(317) 233-4146
The 1977 Fund may also be reached through the PERF toll-free number, just ask the operator
FAX Number (317) 234-1529

1977 FUND MEMBER HANDBOOK (latest edition)

INTERNAL REVENUE SERVICE

TELEPHONE NUMBERS:

Toll-Free Number 1-(829) 829-1040
TDD (hearing impaired number) 1-(800)-829-4059
Tele Tax 1-(800)-829-4477

IRS PUBLICATION 575, PENSION AND ANNUITY INFORMATION

IRS PUBLICATION 590, INDIVIDUAL RETIREMENT ARRANGEMENTS

IRS WEBSITE: www.irs.gov

INDIANA STATE DEPARTMENT OF REVENUE (DOR)

TELEPHONE NUMBERS:

Indianapolis & vicinity (317) 233-4018
TDD (hearing impaired number) (317) 233-4952
Fax Number (317) 233-2329
Individual Income Tax Questions (317) 232-2240
Outside of Indianapolis – See DOR Website

DOR WEBSITE: www.in.gov/dor

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
UNDER GOVERNMENTAL 401(a) PLANS

This notice explains how you can continue to defer federal income tax on your retirement savings in the 1977 Police Officers' and Firefighters' Pension and Disability Fund (the "1977 Fund" or "Plan") and contains important information you will need before you decide how to receive your Plan benefits. If you received this notice electronically, you may request from the Plan a paper copy of this notice at no charge to you.

This notice is provided to you by the 1977 Fund because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or the 1977 Fund to an IRA or an eligible employer plan. A rollover is a payment by you or the 1977 Fund of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). Note, however, that for a distribution made after December 31, 2007, your payment can be rolled over to a Roth IRA subject to the same limits that apply to rollovers from a traditional IRA to a Roth IRA (i.e., for tax years prior to January 1, 2010, your adjusted gross income cannot exceed \$100,000 and you must not be married filing separately). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if an eligible employer plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to an IRA or split your rollover amount between the employer plan in which you will participate and an IRA. If an eligible employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact the 1977 Fund at (888) 526-1687 or (317) 233-4162.

SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

(1) Certain payments can be made directly to an IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or

(2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER to a *traditional* IRA or an eligible employer plan:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA (see the special rules for rollovers to Roth IRAs below), a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.

- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

Note that for a distribution made after December 31, 2007, you can choose a direct rollover to a Roth IRA subject to the same limits that apply to rollovers from a traditional IRA to a Roth IRA (i.e., for tax years prior to January 1, 2010, your adjusted gross income cannot exceed \$100,000 and you must not be married filing separately). If you make a direct rollover of your distribution to a Roth IRA, the amount of your distribution will be included in your taxable income (except for any portion of the distribution that represents a return of your after-tax contributions to the Plan). You may be able to elect to delay recognizing the distribution as part of your taxable income until 2011 and 2012 if you elect a direct rollover to a Roth IRA in the 2010 taxable year. A direct rollover of your distribution to a Roth IRA avoids the 10% tax on early distributions received prior to the date you reach age 59-1/2, become disabled, or retire under the terms of the Plan. You should consult your tax advisor if you are interested in rolling over your distribution to a Roth IRA.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the 1977 Fund is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59-1/2, you may have to pay an additional 10% tax. See special note below for qualified public safety employees.
- You can roll over all or part of the payment by paying it to your IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over to a traditional IRA or eligible employer plan will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Qualified Public Safety Employees. On and after August 18, 2006, if you are a "qualified public safety employee" who terminates employment in the calendar year in which you are age 50 or older, and receive an eligible rollover distribution, you will not have to pay the additional 10% tax on a payment that is eligible for rollover and PAID TO YOU. You are a "qualified public safety employee" if you are an employee of a State or political subdivision of a State who provides police protection, fire-fighting services, or emergency medical services for an area within the jurisdiction of the State or political subdivision.

Qualified Reservist Distribution. If you are a "qualified reservist" on active duty, who takes a withdrawal after September 11, 2001, of all or part of your contributions from a deemed IRA or your elective deferrals under a 401(k) plan or 403(b) annuity, you will not have to pay the additional 10% tax on a payment that is eligible for rollover and PAID TO YOU. You are a "qualified reservist" if you are a reservist or national guardsman ordered or called to duty after September 11, 2001, and before December 31, 2007, for a period in excess of 179 days or for an indefinite period. You may repay a qualified reservist distribution to a traditional IRA (i) at any time during the two (2) year period after the end of active duty, or (ii) by August 17, 2008, if later.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an

affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the 1977 Fund.

MORE INFORMATION

- I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER
- II. DIRECT ROLLOVER
- III. PAYMENT PAID TO YOU
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- V. OTHER BENEFICIARIES
- VI. SPECIAL RULES FOR SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers, or beginning January 1, 2008, they can be rolled over to a Roth IRA. Payments from a plan cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. The 1977 Fund should be able to tell you what portion of your payment is an eligible rollover distribution.

After-tax Contributions. If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

(a) *Rollover into a Traditional IRA.* You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. The 1977 Fund should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

(b) *Rollover into an Employer Plan.* Beginning January 1, 2007, you can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) to another such plan or to a Code section 403(b) annuity contract using a direct rollover if such other plan or annuity contract provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the 1977 Fund to make a direct rollover on your behalf. You can also roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) to a traditional IRA; however, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan. You CANNOT roll over after-tax contributions to a governmental 457 plan.

The following types of payments *cannot* be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70-1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.

Hardship Distributions. A hardship distribution cannot be rolled over.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

The 1977 Fund should be able to tell you if your payment includes amounts which cannot be rolled over.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to an IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. Except a direct rollover to a Roth IRA on or after January 1, 2008, you are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.

DIRECT ROLLOVER to an IRA. You can open a traditional IRA, or beginning January 1, 2008, a Roth IRA, to receive the direct rollover. If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to make sure that the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to an IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to an IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or an IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled

"Additional 10% Tax if You Are under Age 59-1/2 " and "Special Tax Treatment if You Were Born before January 1, 1936."

III. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the 1977 Fund for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment. Unless you roll over your distribution to a Roth IRA, the portion of your payment that is rolled over will not be taxed until you take it out of the IRA or eligible employer plan. If you roll over to a Roth IRA, the distribution will be included in your taxable income for the year in which it was paid to you.

If you want to roll over a payment you received to a traditional IRA or eligible employer plan, you can roll over up to 100% of your payment (that can be rolled over as explained under Part I above), including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Part I above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Additional 10% Tax If You Are under Age 59-1/2. If you receive a payment before you reach age 59-1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after

you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, (6) payments that do not exceed the amount of your deductible medical expenses, (7) payments to a qualified public safety employee who separates from service during or after the year reaching age 50, or (8) a qualified reservist distribution from a deemed IRA or attributable to elective deferrals under a 401(k) plan or 403(b) annuity. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59-1/2 or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59-1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to an IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to an IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

IV. SURVIVING SPOUSES AND ALTERNATE PAYEES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to an IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

V. BENEFICIARIES

If you are a beneficiary other than a surviving spouse or an alternate payee and receive a distribution on or after January 1, 2007, you can choose to be paid in a DIRECT ROLLOVER to a traditional IRA, which will be treated as

an inherited IRA subject to the minimum distribution rules applicable to beneficiaries. You cannot choose a direct rollover to a Roth IRA or an eligible employer plan, and you cannot roll over the payment yourself.

VI. SPECIAL RULES FOR SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59-1/2.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions, as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

VII. HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor *before* you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

Your Social Security Number is requested by this agency in accordance with the requirements of the Internal Revenue Code. Disclosure is mandatory and this form will not be processed without this information.

Claim for Refund of Contributions

State Form 947 (R4/05-02-2002)

INSTRUCTIONS:

1. Please TYPE or PRINT. Use black ink.
2. Complete all information. Remember to put your name and Social Security Number at the top of every page.
3. Return the completed form directly to the 1977 Fund at the address below. **Do Not return the instruction pages.**

Federal and state law prohibit the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) from making distributions from the Fund prior to your separation from employment. Uninterrupted service or reemployment in any capacity prevents the 1977 Fund from making a distribution to you. This includes a continuation of employment in any capacity, full time or part time, in any agency or department of your current employer, either in a position covered by the 1977 Fund or in any position not covered by the 1977 Fund.

In addition, you should not complete this form if you intend to become re-employed in a 1977 Fund covered position with ANY employer.

Step 1: MEMBER INFORMATION

Social Security Number _ _ _ - _ _ - _ _		Date (Month/Day/Year)	
First Name	MI	Last Name	
Address			
City		State	Zip code
Day Phone		Evening Phone	
E-mail Address			

Step 2: FORFEITURE OF SERVICE

I understand fully that, once this claim has been processed by the 1977 Fund and I have received a refund check or warrant, this transaction cannot be voided by a return of the check, warrant, or money. I agree, that by the acceptance of this refund, I relinquish any and all claims for service that may have accrued to me through membership in the 1977 Fund, unless I repay all amounts refunded to me in accordance with the applicable statutes and rules.

Member Signature	Printed Name
------------------	--------------

Member Name (Last, First, Middle Initial)	Social Security Number _ _ _ - _ _ - _ _
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Step 3: ELECTION FOR REFUND OF MEMBER CONTRIBUTIONS

I elect the following distribution for my contributions. I understand that my choice for payment made below cannot be changed after this form is received by the 1977 Fund, and by signing below I acknowledge that I have read and understand this statement.

Member Signature	Printed Name
------------------	--------------

I elect a complete distribution of my contributions as follows:

SELECT ONLY ONE (1) FROM EACH COLUMN	
Taxable Portion	Non-Taxable Portion
<input type="checkbox"/> Direct Rollover	<input type="checkbox"/> Direct Rollover
<input type="checkbox"/> Paid Directly to me (less withholding)	<input type="checkbox"/> Paid Directly to me
<input type="checkbox"/> Partial Rollover in the amount of	<input type="checkbox"/> Partial Rollover in the amount of
\$ _____, balance (less withholding) paid to me.	\$ _____, balance paid to me.

COMPLETE ONLY IF YOU SELECT A ROLLOVER

Taxable Portion

Name of Eligible 401(a), 403(b), or governmental 457(b) Retirement Plan or Traditional IRA

Non-Taxable Portion

Name of Eligible Defined Contribution Plan or Traditional IRA

(This must be the complete name of the Eligible Plan or Traditional IRA as reported by the trustee to the IRS).

Step 4: ELECTION FOR STATE TAX WITHHOLDING

STATE TAX: I do not want state income tax withheld from my distribution.

Applicant's Signature

Printed Name

Member Name (Last, First, Middle Initial)

Social Security Number

____ - ____ - ____

Step 5: MEMBER AFFIDAVIT AND NOTARIZATION

I, having been sworn, hereby submit this Claim for Refund of Contributions and say under oath:

That I am the person who completed this refund application.

I have carefully read the form and understand the same, and that I have read all of the information I have been provided with this application, including all instructions and supplemental documents.

That all of the information I have provided and the questions I have answered are full, complete and true, and that no material fact has been concealed or omitted therefrom.

I further certify that I am not continuing uninterrupted employment in any capacity full-time or part-time, in a 1977 Fund covered position or a position not covered by the 1977 Fund in any agency or department of my current employer.

I understand fully that once this claim has been processed by the 1977 Fund and I have received a refund check or warrant, this transaction may not be voided by a return of the check, warrant or money.

Member signature

State of _____

SS:

County of _____

Subscribed and sworn to before me, a Notary Public in and for the State and County above named,

by the said _____
Member (please print)

on this date _____
month day year

County of Residence

Notary Signature and Seal

Commission Expiration Date

Notary's Name (please print)

Member Name (Last, First, Middle Initial)

Social Security Number

____ - ____ - ____

Step 6: EMPLOYER'S CERTIFICATION

I hereby certify that the last day in pay status in a 1977 Fund covered position for this employee:

Member Name (Last, First Middle Initial)

____ - ____ - ____
Social Security No.

was ____/____/____ and that the employee was issued
month day year

a final payroll check, including vacation pay, dated ____/____/____
month day year

I further certify that the employee is not continuing uninterrupted employment in any capacity (full-time or part-time) in a 1977 Fund covered position or a position not covered by the 1977 Fund in any agency or department of this employer.

Name of Employer

Employer's Account Number

Address

Signed (Authorized Agent)

Printed Name (Authorized Agent)

NOTE: THE EMPLOYER SHOULD NOT COMPLETE THIS SECTION OR FORWARD THIS REFUND CLAIM TO THE 1977 FUND UNTIL EMPLOYEE IS SEPARATED FROM EMPLOYMENT.

Return this form to:

**1977 Police Officers' and Firefighters' Fund
143 West Market Street
Indianapolis, IN 46204**